

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE COMPLAINT OF MR. W. E. DRURY,)	
MR. LONNIE BROWN AND MR. ROBERT)	
PERRY, VERSAILLES, KENTUCKY, AGAINST)	CASE NO. 8504
SOUTH WOODFORD COUNTY WATER DISTRICT)	

O R D E R

A formal complaint against the South Woodford County Water District ("South Woodford") was filed with this Commission on April 13, 1982, by Mr. William E. Drury, Mr. Lonnie Brown and Mr. Robert Perry ("Complainants"). The Complainants allege that South Woodford has refused to provide them with residential water service after they made proper application for such service.

Before April 14, 1982, the Commission considered this matter as an informal complaint. The record of the informal complaint has been made a part of the record in this proceeding.

A Commission hearing was held June 2, 1982, and all parties of record were given an opportunity to be heard.

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. The municipally-owned water system of the City of Versailles ("City") is not subject to the jurisdiction or regulatory authority of this Commission.

2. South Woodford is a water utility that is subject to the jurisdiction and regulatory authority of this Commission.

3. South Woodford purchases water from the City under the terms of a water purchase agreement. This agreement limits the quantity of water that the City is obligated to sell South Woodford to 5,000,000 gallons per month. Commission records, however, show that the City sold South Woodford 69,565,000 gallons during calendar year 1981 and 64,493,000 gallons during calendar year 1979. ^{1/} These quantities are 9,565,000 gallons and 4,493,000 gallons more than the 60,000,000-gallon annual limit set by the purchase agreement. Thus, the City has not held South Woodford to strict compliance with the contract limit.

4. At the present time, South Woodford will make new service connections if no water main extension is required, but will not do so when a water main extension is needed. South Woodford has stated that the limit of 5,000,000 gallons per month on the water available from the City required the establishment of this policy and that this Commission has given its implied approval thereto. The Commission agrees that South Woodford had reason to believe that it had received the implied approval of the Commission. However, after further consideration, it is the opinion of the Commission that the policy is not reasonable and should be changed, and that any finding to the contrary should be rescinded.

1/ Annual Reports of South Woodford, 1979 and 1981.

5. The location of the properties at which complainants have requested water service is within the service area of South Woodford.

6. KRS 278.280(3) states as follows:

Any person or group of persons may come before the commission and by petition ask that any utility subject to its jurisdiction be compelled to make any reasonable extension. The commission shall hear and determine the reasonableness of the extension, and sustain or deny the petition in whole or in part.

In accordance with KRS 278.280(3), the Commission finds that the extension required to provide service to complainants is reasonable and should be made in accordance with Section 12 of 807 KAR 5:066.

7. South Woodford's policy of providing water service connections for some applicants and refusing such connections for other applicants does not satisfy its obligation to provide service within its service area. Further, this policy is in violation of KRS 278.170 and should not be continued.

8. Water main extensions should be provided by South Woodford in accordance with the Commission's regulations for providing such extensions as set forth in Section 12 of 807 KAR 5:066.

9. South Woodford's unaccounted-for water for calendar year 1981 was 22,622,000 gallons or 32.52 percent of the 69,565,000 gallons purchased from the City. The Commission considers unaccounted-for water over 15 percent to be excessive. On this basis, 17.52 percent or 14,337,940 gallons is excessive and should be eliminated by more vigorous attention to the detection and correction of leakage, meter testing, and better overall accounta-

bility. The reduction of unaccounted-for water to an acceptable level of 15 percent should be the highest priority for South Woodford.

10. The number of customers served by South Woodford for calendar years 1981, 1980, 1979 and 1978 was 521, 502, 489 and 449, respectively. This is an increase of 72 customers in a 3-year period. This 72-customer increase, according to the Commission's records of water sales by South Woodford, has increased South Woodford's water sales by 7,103,000 gallons. ^{2/} The Commission notes that 14,377,940 gallons is more than double the amount needed to provide water service in 1981 to the 72 customers added since 1978.

IT IS THEREFORE ORDERED that South Woodford's policy of refusing water service to an applicant requiring a water main extension shall be terminated.

IT IS FURTHER ORDERED that South Woodford shall comply with the Commission's regulations for water main extensions as set forth in Section 12 of 807 KAR 5:066. Further, South Woodford shall file weekly progress reports with the Commission until water service has been established for Complainants.

IT IS FURTHER ORDERED that South Woodford shall, by means of leak detection and correction, testing and correcting of meters, and any other appropriate actions, begin immediately to reduce its unaccounted-for water to 15 percent or less of the water purchased from the City. Further, monthly progress reports shall be filed

^{2/} Annual Reports of South Woodford, 1978, 1979, 1980 and 1981.

with the Commission until this objective has been attained and South Woodford has been released from this obligation.

Done at Frankfort, Kentucky, this 30th day of August, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohs
Chairman

Katherine Bandell
Vice Chairman

Don Carrigan
Commissioner

ATTEST:

Secretary